



Member Contributions to Benefit Improvement Account Preliminary Report

LEOFF Plan 2 Retirement Board

April 28, 2010

Key Issue

- The Board is not authorized to charge additional member only contributions to fund benefit improvements.

Background

- Current Contribution Process
- Alternate Revenue Bill
- Additional Member Contributions

Current Contribution Process

- Current Contribution Rate: 16.92%
 - Member – 8.46%
 - Employer – 5.08%
 - State – 3.38%

Alternate Revenue

- 2008 Legislature passed alternate revenue bill (ESSB 6573)
 - Phased-in approach
 - \$2.5 million in 2011
 - \$5.0 million in 2013
 - \$10.0 million in 2015
 - \$25.0 million in 2017

Additional Member Contributions

- A 1% contribution rate would generate approximately \$109.6 million in contributions after 5 years.
 - Assumes an 8% rate of return

Summary

- Current Contribution Process
- Alternate Revenue
- Additional Member Contributions

Member Contributions to Benefit Improvement Account

QUESTIONS?